



601 South Harbour
Island Boulevard
Suite 220
Tampa, FL 33602
www.z-tel.com

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November 20, 2003

Sharla Dillon
Dockets and Records Office
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Docket Nos. 03-00491; 03-00526; 03-00527 Triennial Review Order Proceeding

Dear Ms. Dillon:

Attached are originals of Z-Tel's Communication Inc.'s Objections to BellSouth Telecommunications, Inc.'s ("BellSouth") First Set of Interrogatories (Docket Nos. 03-00491 & 03-00526), Response to BellSouth's First Set of Interrogatories (Docket Nos. 03-00491 & 03-00526), Objections to BellSouth's First Request for Production of Documents (Docket Nos. 03-00491 & 03-00526), Response to BellSouth's First Request for Production of Documents (Docket Nos. 03-00491 & 03-00526), Objections to BellSouth's First Set of Interrogatories (Docket No. 03-00527), and Response to BellSouth's First Set of Interrogatories (Docket No. 03-00527).

Thank you for your attention to this matter.

Sincerely,

Michael Strobl
Director, Strategic Planning
Z-Tel Communications, Inc.

cc: Guy M. Hicks; R. Douglas Lackey

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In re: Implementation of the Federal
Communications Commission's Triennial
Review Order (Nine-month Proceeding)(Switching
and (Hot Cuts)

Docket Nos. 03-00491 and
03-00526
Filed: November 20, 2003

**Z-TEL COMMUNICATIONS, INC.'S
RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC.'S
FIRST SET OF INTERROGATORIES**

Z-Tel Communications, Inc. ("Z-Tel") hereby provides its objections and responses to BellSouth Telecommunications, Inc.'s ("BellSouth") First Set of Interrogatories.

Z-Tel hereby adopts, incorporates by reference, and renews its preliminary Objections, dated November 20, 2003. Z-Tel further responds to the First Set as follows:

INTERROGATORY NO. 1: Identify each switch owned by Z-Tel that Z-Tel uses to provide a qualifying service anywhere in Tennessee, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch).

RESPONSE: None.

Answer provided by Peggy Rubino.

INTERROGATORY NO. 2: For each switch identified in response to Interrogatory No. 1, please:

- (a) provide the Common Language Location Identifier ("CLLI") code of the switch;
- (b) provide the street address, including the city and state in which the switch is located;
- (c) identify the type of switch by manufacturer and model (e.g., Nortel

DMS100);

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

RESPONSE: N/A.

INTERROGATORY NO. 3: Identify any other switch not previously identified in Interrogatory No. 1 that Z-Tel uses to provide a qualifying service anywhere in Tennessee, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this Interrogatory, do not include ILEC switches used by Z-Tel either on an unbundled or resale basis.

RESPONSE: None.

Answer provided by Peggy Rubino.

INTERROGATORY NO. 4: For each switch identified in response to Interrogatory No. 3, please:

(a) identify the person that owns the switch;

(b) provide the Common Language Location Identifier ("CLLI") code of the switch;

- (c) provide the street address, including the city and state in which the switch is located;
- (d) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);
- (e) describe in detail the arrangement by which you are making use of the switch, including stating whether you are leasing the switch or switching capacity on the switch;
- (f) identify all documents referring or relating to the rates, terms, and conditions of Z-Tel's use of the switch; and
- (g) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

RESPONSE: N/A.

INTERROGATORY NO. 5: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Tennessee utilizing any of the switches identified in response to Interrogatory No. 1. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located

RESPONSE: N/A.

INTERROGATORY NO. 6: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers

in that wire center area from the switches identified in response to Interrogatory 1.

RESPONSE: N/A.

INTERROGATORY NO. 7: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

- (a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;
- (b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;
- (c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;
- (d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;
- (e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;
- (f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
- (g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;
- (h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;
- (i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

RESPONSE: N/A.

INTERROGATORY NO. 8: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Tennessee utilizing any of the switches identified in response to Interrogatory No. 3. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user is located.

RESPONSE: N/A.

INTERROGATORY NO. 9: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory No. 8.

RESPONSE: N/A.

INTERROGATORY NO. 10: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 9, separate the lines

by end user and end user location in the following manner:

- (a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;
- (b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;
- (c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;
- (d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;
- (e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;
- (f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
- (g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;
- (h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;
- (h) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;
- (i) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;
- (j) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and

(l) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

RESPONSE: N/A.

INTERROGATORY NO. 11: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Tennessee using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

RESPONSE: Z-Tel believes the term "qualifying service" is ambiguous. Subject to that objection, and without attempting to distinguish between qualifying and non-qualifying services, Z-Tel states that it offers local service to end user customers to all BellSouth wire centers in Tennessee.

Answer provided by Tom Koutsky.

INTERROGATORY NO. 12: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area using an ILEC's switch either on an unbundled or resale basis.

RESPONSE: Z-Tel objects to the extent the Interrogatory as framed seeks information that is not limited to intrastate operations within BellSouth's Tennessee service area. Z-Tel objects on the basis that, because BellSouth provides the switch that Z-Tel utilizes to provide

service in BellSouth's service area, the information sought by BellSouth is already in its possession. To require Z-Tel to prepare and provide information that is already in BellSouth's possession by virtue of its furnishing of and its billing for use of the switch would be unduly burdensome and oppressive. Finally, Z-Tel objects on the basis that the information sought constitutes proprietary and confidential business information.

INTERROGATORY NO. 13: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 12, separate the lines by end user and end user location in the following manner:

- (a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;
- (b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;
- (c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;
- (d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;
- (e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;
- (f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
- (g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;
- (h) The number of end user customers to whom you provide eight (8)

voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9)

voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10)

voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven

(11) voice-grade equivalent lines;

(l) The number of end user customers to whom you provide twelve

(12) voice-grade equivalent lines; and

(m) The number of end user customers to whom you provide more than

twelve (12) voice-grade equivalent lines;

RESPONSE: Z-Tel objects to the extent the Interrogatory as framed seeks information that is not limited to intrastate operations within BellSouth's Tennessee service area. Z-Tel objects on the basis that, because BellSouth provides the switch that Z-Tel utilizes to provide service in BellSouth's service area, the information sought by BellSouth is already in its possession. To require Z-Tel to expend the time and resources to prepare and provide information that is already in the possession of BellSouth would be oppressive and unduly burdensome. Finally, Z-Tel objects on the basis that the information sought constitutes proprietary and confidential business information.

INTERROGATORY NO. 14: Do you offer to provide or do you provide switching capacity to another local exchange carrier for its use in providing qualifying service anywhere in the nine states in the BellSouth region. If the answer to this Interrogatory is in the affirmative, for each switch that you use to offer or provide such switching capacity, please:

- (a) Provide the Common Language Location Identifier (“CLLI”) code of the switch;
- (b) Provide the street address, including the city and state in which the switch is located;
- (b) Identify the type of switch by manufacturer and model (e.g., Nortel DMS100);
- (c) State the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch’s existing configuration and component parts;
- (d) State the number of voice-grade equivalent lines the switch is currently serving based on the switch’s existing configuration and component parts; and
- (e) Identify all documents referring or relating to the rates, terms, and conditions of Z-Tel’s provision of switching capability.

RESPONSE: No.

Answer provided by Peggy Rubino.

INTERROGATORY NO. 15: Identify every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service using: (1) the Unbundled Network Element Platform (UNE-P), (2) self-provisioned switching, (3) switching obtained from a third party provider other than an ILEC, or (4) any combination of these items.

RESPONSE: Z-Tel objects to Interrogatory No. 15 on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, the Interrogatory seeks information that is irrelevant and is not reasonably

calculated to lead to the discovery of admissible evidence. Z-Tel also objects on the grounds that the Interrogatory seeks information that is proprietary and confidential business information. Z-Tel objects on the grounds that the interrogatory as framed is overbroad.

INTERROGATORY NO. 16: Identify any documents that you have provided to any of your employees or agents, or to any financial analyst, bank or other financial institution, shareholder or any other person that describes, presents, evaluates or otherwise discusses in whole or part, how you intend to offer or provide local exchange service, including but not limited to such things as the markets in which you either do participate or intend to participate, the costs of providing such service, the market share you anticipate obtaining in each market, the time horizon over which you anticipate obtaining such market share, and the average revenues you expect per customer.

RESPONSE: Z-Tel objects to Interrogatory No. 16 on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business model of individual carriers, the Interrogatory seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel also objects on the grounds that the Interrogatory seeks information that is proprietary and confidential business information. Z-Tel also objects to the request for “any” documents as overbroad and unduly burdensome.

INTERROGATORY NO. 17: If not identified in response to a prior Interrogatory, identify every document in your possession, custody, or control referring or relating to the financial viability of self-provisioning switching in your providing qualifying services to end user customers.

RESPONSE: Z-Tel objects to Interrogatory No. 17 on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business model of

individual carriers, the Interrogatory seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel also objects on the grounds that the Interrogatory seeks information that is proprietary and confidential business information. Z-Tel also objects to the use of request “any” documents as overbroad and unduly burdensome.

INTERROGATORY NO. 18: Do you have switches that are technically capable of providing, but are not presently being used to provide, a qualifying service in Tennessee? If the answer to this Interrogatory is in the affirmative, please:

- (a) provide the Common Language Location Identifier (“CLLI”) code of the switch;
- (b) provide the street address, including the city and state in which the switch is located;
- (c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);
- (d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch’s existing configuration and component parts;
- (e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch’s existing configuration and component parts; and
- (e) identify any documents in your possession, custody or control that discuss, evaluate, analyze or otherwise refer or relate to whether those switches could be used to provide a qualifying service in Tennessee.

RESPONSE: No.

Answer provided by Peggy Rubino.

INTERROGATORY NO. 19: Identify each MSA in Tennessee where you are currently offering a qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Z-Tel objects to the use and definition of the term “qualifying service” on the grounds the term and definition are ambiguous and not sufficiently well delineated to enable Z-Tel to provide a meaningful response. Subject to that objection, and without distinguishing between qualifying and non-qualifying services, Z-Tel states it offers local service in all MSAs served by BellSouth.

Answer provided by Thomas Koutsky.

INTERROGATORY NO. 20: If you offer a qualifying service outside of the MSAs identified in response to Interrogatory 19, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Z-Tel objects to the use and definition of the term “qualifying service” on the grounds the term and definition are ambiguous and not sufficiently well delineated to enable Z-Tel to provide a meaningful response. Subject to this objection, Z-Tel states that it offers local service in all areas, including areas outside of the MSAs identified in Interrogatory No. 19, in which BellSouth provides local service in Tennessee.

Answer provided by Thomas Koutsky

INTERROGATORY NO. 21: Describe with particularity the qualifying services that you offer in the geographic areas described in response to Interrogatories 19 and 20, including the

rates, terms, and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: Z-Tel objects to the definition and use of the term “qualifying services,” on the grounds that the definition and term are ambiguous, and not sufficiently well delineated to enable Z-Tel to provide a meaningful response. Subject to the objection, Z-Tel states that the rates, terms and conditions under which it offers local services can be found at http://www.tariffs.net/tariffs/199FL_Local.pdf.

Answer provided by Thomas Koutsky.

INTERROGATORY NO. 22: Identify each MSA in Tennessee where you are currently offering a non-qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: See the Objection and Response of Z-Tel to Interrogatory No. 19, which Z-Tel incorporates by reference as its answer to this Interrogatory.

INTERROGATORY NO. 23: If you offer a non-qualifying service outside of the MSAs identified in response to Interrogatory 22, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities,

UNE-P, resale, or in some other fashion.

RESPONSE: See Objection and Response to Interrogatory No. 20, which Z-Tel adopts and incorporates by reference as its answer to this Interrogatory.

INTERROGATORY NO. 24: Describe with particularity the non-qualifying services that you offer in the geographic areas described in response to Interrogatories 22 and 23, including the rates, terms, and conditions under which such services are offered. If the non-qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: See Z-Tel's objection and response to Interrogatory No. 21, which Z-Tel adopts and incorporates by reference as its answer to this Interrogatory.

INTERROGATORY NO. 25: Please state the total number of end users customers in the State of Tennessee to whom you only provide qualifying service.

RESPONSE: Z-Tel objects to the definition and use of "qualifying service," on the grounds that the definition and term are ambiguous and not sufficiently well delineated to enable Z-Tel to provide a meaningful response. Subject to the objection, and without attempting to distinguish between qualifying and non-qualifying services, Z-Tel will provide an answer under terms of a confidentiality agreement.

Answer provided by Thomas Koutsky.

INTERROGATORY NO. 26: For those end user customers to whom you only provide qualifying service in the State of Tennessee, please state the average monthly revenues you receive from each such end user customer.

RESPONSE: Z-Tel objects to Interrogatory No. 26 on the grounds that, inasmuch as the FCC rules in the TRO that the impairment analysis is not to be based on business models of individual carriers, the interrogatory seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel objects to the use of the term “qualifying service,” on the grounds that it is ambiguous and not sufficiently well delineated to enable a meaningful response. Z-Tel objects on the grounds that the interrogatory seeks data that is proprietary and confidential business information. Further, Z-Tel interprets the interrogatory as seeking aggregate information; to the extent BellSouth intends to ask for information for each individual end-use customer, Z-Tel objects on the grounds that the request is overbroad, oppressive and unduly burdensome.

INTERROGATORY NO. 27: For those end user customers to whom you only provide qualifying service in the State of Tennessee, please state the average number of lines that you provide each such end user customer.

RESPONSE: Z-Tel objects to the use of the term “qualifying service,” on the grounds the definition and term are ambiguous and not sufficiently well delineated to enable Z-Tel to provide a meaningful response. If the intent is to require an answer for each end user, as opposed to aggregate information, Z-Tel objects on the basis that the interrogatory is oppressive and unduly burdensome. Subject to these objections, and without attempting to distinguish

between qualifying and non-qualifying service, Z-Tel will provide a response subject to the terms and conditions of a confidentiality agreement.

INTERROGATORY NO. 28: Please state the total number of end users customers in the State of Tennessee to whom you only provide non-qualifying service.

RESPONSE: See answer to Interrogatory No. 27, which Z-Tel incorporates by reference as its response to this Interrogatory No. 28.

INTERROGATORY NO. 29: For those end user customers to whom you only provide non-qualifying service in the State of Tennessee, please state the average monthly revenues you receive from each such end user customer.

RESPONSE: See objection to Interrogatory No. 26, which Z-Tel incorporates by reference to this Interrogatory.

INTERROGATORY NO. 30: Please state the total number of end users customers in the State of Tennessee to whom you provide both qualifying and non-qualifying service.

RESPONSE: See answer to Interrogatory No. 27, which Z-Tel incorporates by reference as its answer to this Interrogatory.

INTERROGATORY NO. 31: For those end user customers to whom you provide qualifying and non-qualifying service in the State of Tennessee, please state the average monthly revenues you receive from each such end user customer.

RESPONSE: See objection to Interrogatory No. 26, which Z-Tel incorporates by reference as its response to this Interrogatory.

INTERROGATORY NO. 32: For those end user customers to whom you provide qualifying and non-qualifying service in the State of Tennessee, please state the average number

of lines that you provide each such end user customer.

RESPONSE: Z-Tel objects to the use of the terms “qualifying and nonqualifying service,” on the grounds that such terms are ambiguous and not sufficiently well delineated to permit a meaningful response. Z-Tel objects to the extent the Interrogatory attempts to seek information that is not limited to BellSouth’s intrastate Tennessee operations. Z-Tel further objects on the grounds that, because Z-Tel utilizes BellSouth’s switch to provide local service in BellSouth’s service area, the information sought is already in BellSouth’s possession. Z-Tel also objects on the grounds that the interrogatory seeks information that is proprietary and confidential.

INTERROGATORY NO. 33: Please provide a breakdown of the total number of end user customers served by Z-Tel in Tennessee by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification).

RESPONSE: Z-Tel objects on the grounds that the interrogatory seeks proprietary and confidential business information. Notwithstanding that objection, Z-Tel states that it classifies end user customers on the basis of business and residential categories. Subject to its objection, and without waiving it, Z-Tel will provide information regarding the number of customers in each category pursuant to the terms of a confidentiality agreement.

Answer provided by Thomas Koutsky.

INTERROGATORY NO. 34: For each class or type of end user customer referenced in

Interrogatory No. 33, please state the average acquisition cost for each such end user class or type. Please provide this information for each month from January 2000 to the present.

RESPONSE: Z-Tel objects on the grounds that, inasmuch as the FCC rules in the TRO that the impairment analysis is not to be based on individual carriers' business models, the interrogatory seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel also objects on the grounds that the interrogatory seeks proprietary and confidential business information. Z-Tel also objects to the request for monthly data since January 2000 as oppressive and unduly burdensome.

INTERROGATORY NO. 35: For each class or type of end user customer referenced in Interrogatory No. 33, please state the typical churn rate for each such end user class or type. Please provide this information for each month from January 2000 to the present.

RESPONSE: Z-Tel objects on the grounds that, inasmuch as the FCC rules in the TRO that the impairment analysis is not to be based on individual carriers' business models, the interrogatory seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel also objects on the grounds that the interrogatory seeks proprietary and confidential business information. Z-Tel also objects to the request for monthly data since January 2000 as oppressive and unduly burdensome.

INTERROGATORY NO. 36: For each class or type of end user customer referenced in Interrogatory No. 33, please state the share of the local exchange market you have obtained. Please provide this information for each month from January 2000 to the present.

RESPONSE: Z-Tel does not track its share of the local exchange market in Tennessee.

Answer provided by Peggy Rubino

INTERROGATORY NO. 37: Identify any documents in your possession, custody or

control that evaluate, discuss or otherwise refer or relate to your cumulative market share of the local exchange market in Tennessee.

RESPONSE: There are no such documents. See answer to Interrogatory No. 36 above.

Answer provided by Peggy Rubino

INTERROGATORY NO. 38: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to any projections that you have made regarding your cumulative market share growth in the local exchange market in Tennessee.

RESPONSE: There are no such documents. See answer to Interrogatory No. 36 above.

Answer provided by Peggy Rubino

INTERROGATORY NO. 39: Describe how the marketing organization that is responsible for marketing qualifying service in Tennessee is organized, including the organization's structure, size in terms of full time or equivalent employees including contract and temporary employees, and the physical work locations for such employees. In answering this Interrogatory, please state whether you utilize authorized sales representatives in your marketing efforts in Tennessee, and, if so, describe with particularity the nature, extent, and rates, terms, and conditions of such use.

RESPONSE: Z-Tel objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, the interrogatory seeks information that is irrelevant and is not reasonably designed to lead to the discovery of admissible evidence. Z-Tel also objects on the grounds the interrogatory seeks proprietary and confidential business information. Z-Tel also objects on the grounds the interrogatory as framed is overbroad and unduly burdensome.

INTERROGATORY NO. 40: How do you determine whether you will serve an

individual customer's location with multiple DSOs or whether you are going to use a DS1 or larger transmission system? Provide a detailed description of the analysis you would undertake to resolve this issue, and identify the factors that you would consider in making this type of a decision.

RESPONSE: Z-Tel does not serve customers using DS1 or larger transmission systems.

Answer provided by Peggy Rubino

INTERROGATORY NO. 41: Is there a typical or average number of DSOs at which you would chose to serve a particular customer with a DS1 or larger transmission system, all other things being equal? If so, please provide that typical or average number and explain how this number was derived.

RESPONSE: No. See answer to Interrogatory No. 41.

Answer provided by Peggy Rubino

INTERROGATORY NO. 42: What additional equipment, if any, would be required (on the customer's side of the demarcation point rather than on network side of the demarcation point) to provide service to a customer with a DS1 rather than multiple DSOs? For instance, if a customer had 10 DSOs, and you want to provide the customer with the same functionality using a DS1, would a D-4 channel bank, or a digital PBX be required in order to provide equivalent service to the end user that has 10 DSOs? If so, please provide the average cost of the equipment that would be required to provide that functional equivalency (that is, the channel bank, or the PBX or whatever would typically be required should you decide to serve the customer with a DS1 rather than multiple DSOs.)

RESPONSE: Z-Tel has no information to provide. Any such analysis or determination would be performed by the customer.

Answer provided by Peggy Rubino

INTERROGATORY NO. 43: What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?

RESPONSE: Z-Tel objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, the interrogatory seeks irrelevant information and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel also objects on the grounds that the interrogatory seeks proprietary and confidential business information.

INTERROGATORY NO. 44: With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

RESPONSE: As its objection to this interrogatory, Z-Tel adopts and incorporates by reference its objection to Interrogatory No. 43 above.

INTERROGATORY NO. 45: In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years or some other time horizon over which you evaluate the project?

RESPONSE: Z-Tel does not evaluate a decision to offer service on a basis of a time horizon.

Answer provided by Peggy Rubino

INTERROGATORY NO. 46: Provide your definition of sales expense as that term is used

in your business.

RESPONSE: Z-Tel objects to this Interrogatory No. 46 on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis was not be based on the business models of individual carriers, the interrogatory seeks irrelevant information and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel further objects on the grounds that this interrogatory seeks proprietary and confidential business information.

INTERROGATORY NO. 47: Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?

RESPONSE: Z-Tel objects to this Interrogatory No. 47 on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis was not be based on the business models of individual carriers, the interrogatory seeks irrelevant information and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel further objects on the grounds that this interrogatory seeks proprietary and confidential business information.

INTERROGATORY NO. 48: Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

RESPONSE: Z-Tel objects to this Interrogatory No. 48 on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis was not be based on the business models of individual carriers, the interrogatory seeks irrelevant information and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel further objects on the grounds that this interrogatory seeks proprietary and confidential business information.

INTERROGATORY NO. 49: Based on the definition of G&A costs in the foregoing Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a

qualifying service in a particular geographic market?

RESPONSE: Z-Tel objects to this Interrogatory No. 49 on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis was not be based on the business models of individual carriers, the interrogatory seeks irrelevant information and is not reasonably calculated to lead to the discovery of admissible evidence. Z-Tel further objects on the grounds that this interrogatory seeks proprietary and confidential business information.

INTERROGATORY NO. 50: For each day since January 1, 2000, identify the number of individual hot cuts that BellSouth has performed for Z-Tel in each state in BellSouth's region.

RESPONSE: None.

Answer provided by Peggy Rubino

INTERROGATORY NO. 51: For each individual hot cut identified in response to Interrogatory No. 50, state:

- i. Whether the hot cut was coordinated or not;
- ii. If coordinated, whether the hot cut occurred as scheduled;
- iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, Z-Tel, the end-user customer, or some third party, and describe with specificity the reason the hot cut did not occur as scheduled;
- iv. If there was a problem with the hot cut, state whether Z-Tel complained in writing to BellSouth or anyone else.

RESPONSE: N/A.

INTERROGATORY NO. 52: Does Z-Tel have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process

with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

RESPONSE: To date, no incumbent LEC has provided or offered Z-Tel a batch hot cut process that would meet the needs of serving "mass market" customers. Moreover, batch hot cut processes require entrants to "pay twice" for switching -- payment for unbundled local switching while the entrant gathers enough customers to become a "batch." As a result, batch hot cut processes are inherently discriminatory and pose a barrier to entry, because it forces entrants to pay twice for switching, a cost incumbents do not face.

Answer provided by Tom Koutsky

INTERROGATORY NO. 53: Does Z-Tel Communications, Inc. have a preferred process for performing individual hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise relate to this preferred process.

RESPONSE: To date, no incumbent LEC has provided or offered Z-Tel with an individual hot cut process that would meet the needs of service mass market customers.

Answer provided by Tom Koutsky

INTERROGATORY NO. 54: State whether Z-Tel agrees that it jointly developed BellSouth's process for individual hot cuts with BellSouth as set forth in the parties' April 16, 2001 Memorandum of Understanding. If Z-Tel does not agree, explain why and explain Z-Tel's view of its involvement in the development of that process.

RESPONSE: Z-Tel did not participate in the development of the hot cut process because it does not own a switch.

Answer provided by Peggy Rubino

INTERROGATORY NO. 55: If Z-Tel has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in Z-Tel's process that differs from BellSouth's process.

RESPONSE: See Response to Interrogatory No. 53.

INTERROGATORY NO. 56: If Z-Tel has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in Z-Tel's process that differs from BellSouth's process.

RESPONSE: See Response to Interrogatory No. 52.

INTERROGATORY NO. 57: Does Z-Tel have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No. As a matter of public policy, the cost of a hot cut should resemble the presubscribed interexchange carrier change charge. That cost would provide parity between the ability of BellSouth to acquire "mass market" long-distance customers and the ability of entrants to acquire "mass market" local customers.

Answer provided by Thomas Koutsky

INTERROGATORY NO. 58: Does Z-Tel have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No. See Response to Interrogatory No. 57..

INTERROGATORY NO. 59: What is the largest number of individual hot cuts that Z-Tel

has requested in any individual central office in each of the nine BellSouth states on a single day? In answering this Interrogatory, identify the central office for which the request was made, and the number of hot cuts that were requested. State with specificity what the outcome was for each of the hot cuts in each of the central offices so described, if not provided in response to an earlier interrogatory.

RESPONSE: Zero.

Answer provided by Peggy Rubino

INTERROGATORY NO. 60: Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to Z-Tel or that Z-Tel believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: No. See Response to Interrogatory No. 52.

Answer provided by Peggy Rubino

INTERROGATORY NO. 61: Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to Z-TEL? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: No. See Response to Interrogatory No. 52.

Answer provided by Peggy Rubino

INTERROGATORY NO. 62: Does any ILEC in the BellSouth region have an individual hot cut process that is acceptable to Z-Tel or that Z-Tel believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: No. See Response to Interrogatory No. 53.

Answer provided by Peggy Rubino

INTERROGATORY NO. 63: Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to Z-Tel? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: No. See Response to Interrogatory No. 53.

Answer provided by Peggy Rubino

INTERROGATORY NO. 64: Does any ILEC outside the BellSouth region have a batch hot cut process that is acceptable to Z-Tel or that Z-Tel believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: No. See Response to Interrogatory No. 52.

Answer provided by Peggy Rubino

INTERROGATORY NO. 65: Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to Z-Tel? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: No. See Response to Interrogatory No. 52.

Answer provided by Peggy Rubino

INTERROGATORY NO. 66: Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to Z-Tel or that Z-Tel believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: No. See Response to Interrogatory No. 53.

Answer provided by Peggy Rubino

INTERROGATORY NO. 67: Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to Z-Tel? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: No. See Response to Interrogatory No. 53.

Answer provided by Peggy Rubino

INTERROGATORY NO. 68: Does Z-Tel order coordinated or non-coordinated hot cuts?

RESPONSE: Neither.

Answer provided by Peggy Rubino

INTERROGATORY NO. 69: Does Z-Tel use the CFA database?

RESPONSE: No.

INTERROGATORY NO. 70: Identify every issue related to BellSouth's hot cut process raised by Z-Tel at the Tennessee CLEC collaborative since October 2001.

RESPONSE: None.

Answer provided by Peggy Rubino

INTERROGATORY NO. 71: What is the appropriate volume of loops that you contend the Tennessee Regulatory Authority ("TRA") should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: See response to No. 52. As discussed above, batch hot cut processes are inherently discriminatory and pose a barrier to entry. Volume of hot cuts would need to support a CLEC's obtaining and maintaining a competitive level of entry (at least 50% of the "mass

market" lines in Tennessee in the hands of competitors within three years). The cost of those hot cuts should not pose a barrier to entry. For example, the hot cut process should not require CLECs to "double-pay" for switching (e.g., paying for unbundled switching while it acquires sufficient customers to justify a "batch"). In addition, the cost of the hot cut should be commensurate with the cost BellSouth incurs to change a customer's presubscribed interexchange carrier.

Answer provided by Tom Koutsky

INTERROGATORY NO. 72: What is the appropriate process that you contend the TRA should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Z-Tel has formulated no position.

INTERROGATORY NO. 73: If Z-Tel disagrees with BellSouth's individual hot cut process, identify every step that Z-Tel contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Z-Tel has formulated no position.

INTERROGATORY NO. 74: If Z-Tel disagrees with BellSouth's bulk hot cut process, identify every step that Z-Tel contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Z-Tel has formulated no position.

Answer provided by Peggy Rubino

INTERROGATORY NO. 75: Identify by date, author and recipient every written complaint Z-Tel has made to BellSouth regarding BellSouth's hot cut process since October

2001.

RESPONSE: None. See Response to Interrogatory No. 59.

Answer provided by Peggy Rubino

INTERROGATORY NO. 76: How many unbundled loops does Z-Tel contend BellSouth must provision per state per month to constitute sufficient volume to assess BellSouth's hot cut process?

RESPONSE: See Response to Interrogatory No. 71. The volume of loops should be the same.

Answer provided by Thomas Koutsky

INTERROGATORY NO. 77: What is the appropriate information that you contend the TRA should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: As of this writing, Z-Tel has made no such contention before the TRA. See response no. 71. Z-Tel believes provisioning of such volumes should be in place without error for at least six months prior to assessing whether any further, additional operational or economic impairments to deployment of "mass market" switching remain in Tennessee.

Answer provided by Thomas Koutsky

INTERROGATORY NO. 78: What is the average completion interval metric for provision of high volumes of loops that you contend the TRA should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this

Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: As of this writing, Z-Tel has formulated no position and has made no such contention before the TRA. In principle, Z-Tel believes the "average completion metric" should be benchmarked to BellSouth's "mass market" retail service and the provisioning qualify of UNE-P today in Tennessee. Consumers and competitors should not expect a degradation in service if all UNE-P lines suddenly were to become UNE-L orders.

Answer provided by Thomas Koutsky

INTERROGATORY NO. 79: What are the rates that you contend the TRA should adopt in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: See Response to Interrogatory No. 57.

INTERROGATORY NO. 80: What are the appropriate product market(s) that you contend the TRA should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Z-Tel has formulated no such definition at this time.

Answer provided by Tom Koutsky

INTERROGATORY NO. 81: What are the appropriate geographic market(s) that you contend the TRA should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Z-Tel has formulated no such definition at this time.

Answer provided by Tom Koutsky

INTERROGATORY NO. 82: Do you contend that there are operational barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(2) that would support a finding that requesting telecommunications carriers are impaired without Z-Tel to local circuit switching on an

unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: Yes. The FCC Triennial Review Order and the filings of Z-Tel, the PACE Coalition, and other entrants in the Triennial Review proceeding are all available publicly to BellSouth and document these operational impairments.

Answer provided by Thomas Koutsky

INTERROGATORY NO. 83: Do you contend that there are economic barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(3) that would support a finding that requesting telecommunications carriers are impaired without Z-Tel to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such economic barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: Yes. The FCC Triennial Review Order and the filings of Z-Tel, the PACE Coalition, and other entrants in the Triennial Review proceeding are all available publicly to BellSouth and document these economic impairments.

Answer provided by Tom Koutsky

INTERROGATORY NO. 84: What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multiline end users at a single location that the TRA should consider in establishing a "cutoff" consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Z-Tel has made no such contention before the TRA. Z-Tel believes that it is

ultimately up to the consumer to decide whether he or she wants or needs a "digital" DS1 circuit instead of multiple analog telephone lines. Many large firms require analog lines, such as for fax machines. Many customers do not require digital DS1 data capability and may not wish to obtain the different CPE needed to utilize a DS1 line. Z-Tel believes it is presumptuous and ultimately folly that at any set "line count", the government should dictate the technology in which a competitor may be able to offer service to that customer.

Answer provided by Peggy Rubino

The undersigned has provided all Objections stated in response to the foregoing First Set of Interrogatories.



Michael S. Strobl
Director, Strategic Planning
Z-Tel Communications, Inc.
601 S. Harbour Island Blvd., Suite 220
Tampa, Florida 33602
(813) 233-4629
mstrobl@z-tel.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Z-TEL Communications, Inc.'s Response to BellSouth Telecommunications, Inc.'s First Set of Interrogatories has been provided by Federal Express Delivery this 20th day of November 2003, to the following:

Sharla Dillon
Dockets and Records Office
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Guy M. Hicks
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, TN 37291-3300

R. Douglas Lackey
BellSouth Telecommunications, Inc.
Suite 4300
675 W. Peachtree Street, NE
Atlanta, GA 30375



Michael S. Strobl